Department of Finance

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Release of *The Fiscal Monitor*

The Honourable Jim Flaherty, Minister of Finance, today released *The Fiscal Monitor* for August 2007.

Highlights

August 2007: budgetary surplus of $0.9 billion

There was a budgetary surplus of $0.9 billion in August 2007, up $0.4 billion from the $0.5-billion surplus recorded in August 2006. Budgetary revenues were up $1.0 billion, or 5.9 per cent, reflecting strong gains in corporate income tax, goods and services tax and non-tax revenues. Program expenses increased by $0.7 billion, or 5.1 per cent, due to higher transfer payments and departmental operating expenses. Public debt charges were $0.1 billion lower.

April to August 2007: budgetary surplus of $8.7 billion

For the first five months of the 2007–08 fiscal year, the budgetary surplus is estimated at $8.7 billion, up $1.5 billion from the $7.2-billion surplus reported in the same period of 2006–07. Budgetary revenues increased by $5.9 billion, or 6.3 per cent, driven by both higher income tax revenues and non-tax revenues. Program expenses rose by $4.4 billion, or 6.2 per cent, reflecting increases in transfer payments and operating expenses of departments and agencies, including National Defence. Public debt charges were virtually unchanged.

The Fiscal Monitor is a monthly document that provides highlights of the federal government's fiscal performance, including monthly revenues, expenses, the budgetary balance and the financial source/requirement.

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